

**IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TENNESSEE  
EASTERN DIVISION**

**In re:**

**ADEL A. ELRAFEI,**

**Debtor.**

**CASE NO. 21-bk-10736**

## CHAPTER 13

**TENNESSEE EDUCATION  
LOTTERY CORPORATION,**

Plaintiff,

 $\mathbf{v}_i$ 

**ADEL A. ELRAFEI,**

**Defendant.**

ADV. NO. 21-ap-\_\_\_\_\_

**COMPLAINT OF THE TENNESSEE EDUCATION LOTTERY CORPORATION  
TO DETERMINE DISCHARGEABILITY OF DEBT UNDER 11 U.S.C. §  
523(a)(4)**

Comes now the Tennessee Attorney General, on behalf of the Tennessee Education Lottery Corporation ("TELC") by and through undersigned counsel, and petitions the Court, pursuant to 11 U.S.C. § 523(a)(4), to determine that the debt owed to the TELC by the Debtor, Adel A. Elrafei, for failure to remit lottery ticket sales proceeds totaling \$104,523.68 is nondischargeable. In support thereof, the TELC advises the Court as follows:

1. This adversary proceeding arises out of the Defendant's Chapter 13

Case No. 21-10736, filed on August 20, 2021.

2. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C.

§§ 157, 1334 and 11 U.S.C. § 523. This is a core proceeding pursuant to 28 U.S.C. 157(b)(2)(I).

3. In January or February 2007, the Debtor, as owner of Elrafei Medmart, Inc., d/b/a Citgo Bull Market # 9, submitted a lottery retailer application to TELC to sell lottery tickets. A true and correct copy of the TELC Retailer Application is attached as Exhibit 1.

4. In February 2007, the Debtor, acting in the same capacity, entered into a retail contract with TELC to sell lottery tickets. A true and correct copy of the TELC Retailer Contract is attached as Exhibit 2.

5. Under the Contract and pursuant to Tenn. Code Ann. § 4-51-120, the Debtor was acting as a fiduciary responsible for preserving, accounting for, and remitting all proceeds from the sale of lottery tickets and the unsold tickets. Exhibit 2.

6. Under the Contract and Tenn. Code Ann. § 4-51-120, cash proceeds for the sale of tickets and all unsold tickets constitute a trust fund.

7. In accordance with the Contract and TELC's Retailer Rules and Regulations Policy, Debtor established a trust account where lottery proceeds were to be deposited by Debtor and held in trust for the TELC. Exhibits 1 and 2.

8. The Debtor had insufficient funds on deposit in its designated trust account for TELC in January and February 2020.

9. The unremitted proceeds and unsold tickets at issue arise from tickets activated in the time period including, but not limited to, January and February 2020.

10. In January and February 2020, the Defendant failed to remit lottery ticket proceeds in the amount of \$104,523.68 as required by the Retailer Contract and Tenn. Code Ann § 4-51-101 et seq. True and correct copies of the TELC's invoices for January 18, January 25, and February 1, 2020, are attached as Exhibit 3.

11. Insufficient fund notices for Debtor's trust account showing the amount of unpaid invoices are attached as Exhibit 4.

12. Debtor failed to properly preserve, account for and remit lottery proceeds as required under the Contract, the Rules, and Tenn. Code Ann § 4-51-120.

13. Based on the foregoing, the TELC asserts that the debt arising from the failure to properly preserve, account for and remit lottery ticket sales proceeds and unsold tickets constitutes defalcation while acting in a fiduciary capacity and is nondischargeable under 11 U.S.C. § 523(a)(4).

WHEREFORE, the TELC respectfully request that this Court:

1. Grant judgment in favor of the TELC and against the Defendant for lottery ticket proceeds in the amount of \$104,523.68, the \$350.00 Adversary fee and any travel expenses incurred by TELC due to the adversary filing; and
2. Hold the debt nondischargeable pursuant to 11 U.S.C. § 523(a)(4); and
3. Grant any other relief necessary to protect the interests of the TELC.

Respectfully submitted,

**HERBERT H. SLATERY III**

Tennessee Attorney General and Reporter

/s/ Stuart F. Wilson-Patton

Stuart F. Wilson-Patton

Senior Assistant Attorney General

B.P.R. # 012207

Office of the Attorney General

Bankruptcy Division

P.O. Box 20207

Nashville, TN 37202-0207

PH: (615) 532-2567

FAX: (615) 741-3334

Stuart.Wilson-Patton@ag.tn.gov

Attorney for Tennessee Education Lottery  
Corporation

**CERTIFICATE OF SERVICE**

I hereby certify that on the 20th day of October 2021, a copy of this document was sent by First Class U.S. mail, postage prepaid, or sent electronically (or both as required by local rules), to the parties set out below:

Ken Walker, Esq.  
Walker Walker & Walker  
P.O. Box 530  
Lexington, TN 38351

Timothy H. Ivy  
Chapter 13 Trustee  
250 North Parkway, Suite 1  
Jackson, TN 38305

/s/ Stuart F. Wilson-Patton  
Stuart F. Wilson-Patton  
Senior Assistant Attorney General

Revised 7/13/06

**Retailer Application**  
**TENNESSEE EDUCATION LOTTERY CORPORATION**  
 P.O. Box 23470 • Nashville, TN 37202  
 Please submit completed applications with \$95 fee per business location  
 (Cashier's Check, Business Check, or Money Order only)

RECEIVED FEB 13 2007

**PART 1 - Business Information**

PLEASE PRINT

Retailer ID: 1060820  
 (for Lottery use only)

1. Corporate or legal name (List the name of the legal entity which owns the business and files income tax returns):  
ELRAFEL MED MART INC.

2. If incorporated, date of incorporation: 01/28/2007  
 MM DD YY

3. If incorporated, state of incorporation: TN

4. Store Name or d/b/a (List the name of the business where tickets are to be sold):  
CITIZEN BULL MARKET #9

5. Date Business Started or will start: 02/01/07  
 MM DD YY

6. Federal Employer ID Number (9 digit number used to file Federal business income tax returns):  
 9 digits: 1359

7. Tennessee Beer/Wine Tax or Liquor By the Drink Number (if any, 9 digits):                     

8. Tennessee Sales Tax Number (9 digits):                     

9. Business Location: (Street Number and Name of the location where lottery tickets are to be sold)  
315 HIGHWAY 51 SOUTH, COVENINGTON, TN

10. Business Telephone Number:                     

11. City: COVENINGTON

12. State: TENNESSEE

13. Zip Code: 38019

14. County: TIPTON

15. Mailing Address (if different from Business Location) (P.O. Box Number or Street Number and Name):  
315 Robin Dr

16. City: RIPIKY

17. State: TC

18. Zip Code: 38063

19. Contact Name (List the name of the person the Lottery should contact on all Lottery business):  
ADEL ELRAFEL

20. Contact Phone Number: (731) 251-1111

21. Contact Cell Phone Number: (615) 251-1111

22a. Contact Fax Number: (731) 251-1111

22b. E-Mail Address: R

23. Position/Title: Owner

24. Type of Ownership:  
☒ Sole Proprietor ☐ Partnership ☐ Corporation ☐ Non-Profit ☐ LLC (Corporation) ☐ LLP (Partnership) ☐ Other (specify):

25. (OPTIONAL) (a) Is more than 50% of this business owned by a person or persons that are a racial minority? ☐ Yes ☒ No  
 If yes, specify: ☐ African American ☐ Asian ☐ Hispanic ☐ Native American ☐ Other (specify):  
 (b) Is more than 50% of this business owned by a woman? ☐ Yes ☒ No

26. Is Business Location under construction? ☐ No ☒ Yes If yes, date completion expected:

27. List each Principal of the Business holding more than ten (10) percent of the ownership interest and individuals with legal authority to enter into contracts on behalf of the applicant (for example, sole proprietors, general partners, corporate officers, directors and shareholders) EACH LISTED INDIVIDUAL MUST COMPLETE PARTS 2 AND 3 OF THIS FORM. Please attach additional sheets as needed:  
 a. Name: ADEL ELRAFEL Percent of Ownership: 100%  
 b. Name:                      Percent of Ownership:                       
 c. Name:                      Percent of Ownership:                     

28. Applicant certifies that the information contained in this form or otherwise submitted to the Tennessee Education Lottery Corporation ("TEL") in connection with this application to become a Retailer is true and correct in every respect. The undersigned certifies that he is duly authorized to act on behalf of the Applicant. Applicant agrees that the TEL may make any and all investigations necessary in order to satisfy the TEL requirements for qualification of the Applicant as a TEL Retailer. Applicant hereby authorizes the TEL to request a credit report, conduct a criminal background investigation, or conduct any other investigation as may be necessary to process Applicant's request to become a TEL Retailer. Applicant further authorizes the TEL to share any such information, privileged, confidential or otherwise, necessary to consider its application to become a TEL Retailer. Applicant further consents to allow the TEL to use and share such information in all manner consistent with all applicable laws and necessary to effectuate, administer or enforce all rights, orders and obligations arising out of the relationship between Applicant and the TEL. Applicant understands that providing inaccurate or misleading information is grounds for rejection of this application or cancellation of the Retailer Contract, and may subject the Applicant to the penalties set forth in the Tennessee Code.

ADEL ELRAFEL Adel Elrafel Owner/President 01/29/07  
 Print or Type Name Signature of Owner or Principal Title Date

NOTARY

STATE OF TN SWORN TO AND SUBSCRIBED BEFORE ME ON THIS 10th DAY  
 COUNTY OF TIPTON OF FEBRUARY (MONTH) 2007 (YEAR)  
 Notary Public Seal and Signature: James B. Reed My Commission Expires 2-12-2008  
 Personal Identification (ID) is required to be presented to and verified by Notary Public. Type of ID: TN DL# ID Number:                     





Revised 7/13/06

**Retailer Application**  
**TENNESSEE EDUCATION LOTTERY CORPORATION**  
P.O. Box 23470 • Nashville, TN 37202  
Please submit completed applications with \$95 fee per business location  
(Cashier's Check, Business Check, or Money Order only)

**PART 2—Personal Information (Owner)**

PLEASE PRINT

Retailer ID: 100520

1. Corporate or Legal Name (list the name of the legal entity which owns the business and files income tax returns):  
ELRAFEI MEID MANT INC

2. Store Name: Bull Market #9

3. Name of Owner (Last, First): OMr. OMrs. OMrs. ELRAFEI ADEL

4. Title: President 5. Percent of Ownership: 100 %

6. Home Street Address: 315 Robin Dr City/State/Zip Code: KNOX TN 38063

7. Home Phone Number (751) [REDACTED] 8. Social Security Number: [REDACTED] 9. Date of Birth: [REDACTED]

10. Do you reside in the same household as any officer or employee of the Tennessee Education Lottery Corporation? Yes NO

Are you a vendor, employee or agent of any vendor of the Tennessee Education Lottery Corporation? Yes NO

Have you been convicted of a criminal offense related to the security or integrity of a lottery in Tennessee or any other jurisdiction? Yes NO

Have you been convicted of any criminal offense involving gambling, theft, computer offense, forgery, perjury, dishonesty or unlawfully selling or providing a product or substance to a minor, in Tennessee or any other jurisdiction?  
NEVER  
If yes, when and for what offense?  
If yes, have at least five (5) years elapsed from the date of the completion of the sentence without a subsequent conviction of a crime described above?  
Yes NO

Are you delinquent in filing or paying taxes, fees or other obligations owed to the State of Tennessee? Yes NO

Note: If you answered "Yes" to any of the above questions, please explain (include the date, and location of any convictions, if applicable) on a separate sheet and attach to this application.

11. By signing below, I hereby certify that the information contained on this form or otherwise submitted by me to the Tennessee Education Lottery Corporation ("TEL") in connection with this application to become a TEL Retailer is true and correct in every respect. I understand and agree that the TEL may make any and all investigations of my background in order to satisfy the TEL requirements for qualification of the Applicant as a TEL Retailer, which investigations may include, without limitation, credit history records, law enforcement records, tax records, public records and other official records, and the investigation generally of any other matter relating to the Applicant being a TEL Retailer.

12. CONSENT AND AUTHORIZATION FOR RELEASE OF PERSONAL BACKGROUND INFORMATION: As a potential Retailer or current Retailer for the Tennessee Education Lottery Corporation ("TEL"), or as an owner of same, I am required to furnish certain information for use in determining my qualifications. I hereby authorize the TEL to request a credit report, conduct a criminal background investigation, or conduct any other investigation as may be necessary to process my Retailer Application to become a TEL Retailer. I authorize the TEL to share any such information, privileged, confidential or otherwise, necessary to consider the application to become a TEL Retailer. I further consent to allow the TEL to use and share such information in all manner consistent with all applicable laws and necessary to effectuate, administer or enforce all rights, orders and obligations arising out of the relationship between the Retailer Applicant and the TEL. A photocopy of this release will be valid as an original thereof, even though said photocopy does not contain an original writing of my signature. This release will expire upon the final termination of my Retailer's contractual obligations with the TEL.

Printed Name: ADEL ELRAFEI Signature: [Signature] Date: 01/29/07

<b>NOTARY</b>	STATE OF: <u>TN</u>	SWORN TO AND SUBSCRIBED BEFORE ME ON THIS <u>24</u> DAY
	COUNTY OF: <u>TIPTON</u>	OF <u>FEBRUARY</u> (MONTH) <u>2007</u> (YEAR)
	Notary Public Seal and Signature: <u>[Signature]</u>	My Commission Expires: <u>2-12-2008</u>
	Personal Identification (ID) is required to be presented to and verified by Notary Public. Type of ID: <u>TN DL #</u>	ID Number: <u>[REDACTED]</u>

Revised 7/13/06

Retailer Application  
TENNESSEE EDUCATION LOTTERY CORPORATION  
P.O. Box 23470 Nashville, TN 37202  
Please submit completed applications with \$95 fee per business location  
(Cashier's Check, Business Check, or Money Order only)

1008200

**PART 3 - Criminal Background Check**

Date: \_\_\_\_\_

**I. PERSONAL HISTORY**

1. Full Name (Last, First, Middle) <u>ELRAFEI ADEL Amen</u>		2. List all other names you have used, including nicknames; if female, furnish maiden names. If you have ever used any surnames other than your true name, during what period and what circumstances were these names used? If you have ever legally changed your name, give date, place, and court.	
3. Date of Birth (Month, Day, Year) [REDACTED]		4. Place of Birth (City, County, State and Country) <u>Cairo - EGYPT</u>	
5. Age [REDACTED]	6. Sex <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	7. Social Security Number <u>[REDACTED] - 9010</u>	8. Driver License Number (State) <u>[REDACTED] TN</u>
9. Citizenship a. Present citizenship (Country) <u>EGYPT</u> c. Date and place naturalized _____ b. Citizenship acquired by: <input type="checkbox"/> Birth <input type="checkbox"/> Marriage <input type="checkbox"/> Naturalization d. Naturalization Certificate Number: _____			
10. Race [REDACTED] Height [REDACTED] Weight [REDACTED] Hair Color [REDACTED] Eye Color [REDACTED]			

**II. RESIDENCE**

Current Home Address: <u>315 Robin Dr.</u>		Home Phone: <u>731</u> - [REDACTED]	
Street Address	Apt. No.	Area Code	Number
City <u>Ripley</u> State <u>TN</u> Zip Code <u>38063</u>		Work Phone: <u>910</u> - [REDACTED]	Area Code
			Number

**III. COURT RECORD**

1. Have you ever been arrested? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <u>Never</u> If yes, please explain _____	
2. Do you currently have an order of protection against you? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please explain _____	

I understand that this application is not for employment with the Tennessee Education Lottery Corporation. This application is for a CRIMINAL BACKGROUND CHECK ONLY. All statements I have made in this Criminal Background Check are true and I understand that any false statement in the application may preclude me from a security clearance and may be grounds for not being selected as a TEL retailer or having my retailer contract cancelled. All statements are subject to investigation.

[Signature]  
Signature

01/29/07  
Date



Revised 3/6/07

Retailer Application  
TENNESSEE EDUCATION LOTTERY CORPORATION  
P.O. Box 291869 • Nashville, TN 37229-9715  
Please submit completed applications with \$95 fee per business location  
(Cashier's Check, Business Check, or Money Order only)

OCT 23 2021

HML  
CR

**PART 4 – Lottery Retailer Electronic Funds Transfer Authorization**

1. Business Name <u>Citgo Bull Market #9</u>	Lottery Retailer ID: <u>106826</u>
---	---------------------------------------

**INSTRUCTIONS:** The Retailer must establish a separate electronic funds transfer ("EFT") bank account for the preservation and transfer of lottery funds. The separate bank account must be specified "IN TRUST FOR THE TENNESSEE EDUCATION LOTTERY CORPORATION." The Retailer's depository institution must confirm the establishment of the Tennessee Education Lottery Corporation Trust Account by signing in the space below.





**2. RETAILER AUTHORIZATION:** I (we) hereby authorize the Tennessee Education Lottery Corporation to initiate debit and credit entries in any available and appropriate amount to my (our) account indicated below and authorize the depository named below to debit or credit the same to such account. I (we) hereby further authorize and direct the depository institution named below to release any information regarding such account, including, but not limited to, account balance information, payment history, and overdraft information to the Tennessee Education Lottery Corporation upon request by an authorized representative of the Tennessee Education Lottery Corporation. My (our) authorization is given in accordance with subsection (e)(2) of Section 502 of the "Gramm-Leach-Bliley Act of 1999" (15 U.S.C.A. § 6802) and shall remain in effect until expressly revoked by me (us) in writing. Any such revocation shall be deemed to have been properly given if sent by hand delivery, or by overnight courier, to such depository institution at the address set forth below. Such revocation shall be deemed to have been delivered on the date of delivery if by hand delivery or if by overnight courier, on the next business day following the deposit of such communication with the overnight courier.

Business Name (print): <u>Elrafai Med Market Inc</u>	Effective Date: <u>10-16-14</u> (allow 10 business days)
Owner's Name (print): <u>ADOL ELRAFAI</u>	
Owner's Signature: <u>[Signature]</u>	Date: <u>10-16-14</u>
Bank Name: <u>Bank Tennessee</u>	Branch: <u>Ripley</u>
Street Address: <u>[Redacted]</u>	City: <u>Ripley</u> State: <u>TN</u>
EFT Bank Account Number: <u>[Redacted]</u>	
EFT Bank Route Transit Number: <u>[Redacted]</u>	

**3. DEPOSITORY INSTITUTION ACKNOWLEDGMENT:** The above account has been established "IN TRUST FOR THE TENNESSEE EDUCATION LOTTERY CORPORATION." We acknowledge that our customer, the Retailer, has directed us to provide any information concerning the above referenced account to the Tennessee Education Lottery Corporation upon request by an authorized representative of the Tennessee Education Lottery Corporation. We further acknowledge that the Retailer has directed us to provide this information in accordance with subsection (e)(2) of Section 502 of the "Gramm-Leach-Bliley Act of 1999" (15 U.S.C.A. § 6802), and we will continue to provide such information as directed until receipt of Retailer's written revocation in the manner set forth in Section 2 above.

Depository Institution Representative (print): Vivian Summer Telephone Number: 731-[Redacted]  
Signature of Depository Institution Representative: [Signature] Date: 10-16-14

Please attach one of your checks here.  
Write "VOID" on the front of the check.  
Note: This must be a separate bank account for Tennessee Education Lottery Corporation funds only.

ELRAFEI MEDMART INC.		0097
ADEL AMEN ELRAFEI		00005
510 HWY 51 SOUTH		Date
COVINGTON, TN 38019		
Pay to the	IN TRUST FOR THE TN EDUCATION LOTTERY CORP.	\$ 0
Order of		
VOID		Dollars
 BankTennessee		
For		
		
		LET FREEDOM



Revised 7/13/06

Retailer Application  
TENNESSEE EDUCATION LOTTERY CORPORATION  
P.O. Box 23470 • Nashville, TN 37202  
Please submit completed applications with \$95 fee per business location  
(Cashier's Check, Business Check, or Money Order only)

When applying for more than one business location, this form must be completed for each business location.

## PART 5 - Retailer Servicing

## SHADED ENTRIES TO BE COMPLETED BY LOTTERY ONLY

Retailer ID: [REDACTED] Business Name: Citgo - Bull Market #9  
Business Contacts (Persons Authorized to Conduct On-Site Lottery Transactions) Change of Ownership ☐ Yes ☒ No

Name	Title/Function
1. <u>ADEL ELRAFEI</u>	<u>OWNER</u>
2. _____	_____
3. _____	_____

Business Phone: (901) [REDACTED] Owner's Home Phone: (731) [REDACTED]

Business Hours:

	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
Open	<u>6</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>
Close	<u>10</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

Business Trade Style Code: (see Instruction Sheet) 02

Average Weekly Customer Count: \_\_\_\_\_ Number of Parking Spaces: \_\_\_\_\_

Number of Employees: 4-5 Number of Registers: ONE

Business Location Type:

☒ Freestanding ☐ Office Building ☐ Strip Center ☐ Storefront ☐ Mall ☐ Other

INSTANT &amp; ON LINE APPLICATION

Annual gross business receipts (\$ sales):

JIM Boland #304 MEMPHIS DISTRICT - ORIGIN - JAMES BOLAND #304

Servicing Sales Representative Name	Servicing Sales Representative Number
<u>Jim Boland</u>	<u>304</u>
Self Name	Self Number
District	District Number
<u>Memphis</u>	<u>3</u>
Week Ending	Point of Sale Representative
<u>2-10-07</u>	<u>304</u>
Authorized Products	
<input checked="" type="checkbox"/> Instant <input checked="" type="checkbox"/> Online <input type="checkbox"/> Hot Fax	

Is this business location currently selling Lottery tickets?

☐ Yes ☒ No

If yes, list the Retailer number and business name:

Retailer Number: \_\_\_\_\_ Business Name: \_\_\_\_\_

Has this business location previously sold Lottery tickets?

☐ Yes ☒ No

If yes, list the Retailer number and business name:

Retailer Number: \_\_\_\_\_ Business Name: \_\_\_\_\_

Is Retailer or any owner currently operating as a Lottery Retailer at any other location? ☐ Yes ☒ No

Retailer Number: \_\_\_\_\_ Business Name: \_\_\_\_\_



Revised 7/13/06

Retailer ID:

1068240

## Retailer Contract

THIS RETAILER CONTRACT is between TENNESSEE EDUCATION LOTTERY CORPORATION ("TEL"), a public corporation created pursuant to the Tennessee Education Lottery Implementation Law (the "Act"), and the undersigned Retailer. Capitalized terms used herein shall have the meanings set forth in Appendix A to the TEL's Retailer Rules and Regulations ("Retailer Rules"), unless otherwise defined in context. Retailer and the TEL hereby agree as follows:

1. **Retailer Rules.** Retailer agrees to comply with and to be bound by the Act, each of the TEL's Rules and Regulations (the "TEL Rules and Regulations"), and all other applicable laws, rules, regulations, ordinances and orders (collectively, the "Governing Law"). Retailer agrees at all times to meet the minimum qualifications for a TEL Retailer as set forth in the Governing Law, and to notify the TEL of any change in its business, as specified in the Act and the Retailer Rules. On or before the commencement of the sale of lottery Tickets by Retailer, the TEL will make available to Retailer the Retailer Rules; furthermore, a copy of the Retailer Rules is available to Retailer on the TEL's website or the TEL's retailer website. Furthermore, the Retailer Rules may be amended from time to time, in the sole discretion of the TEL, and the Retailer Rules, as and when amended, shall be effective as against Retailer upon the approval of the revised Retailer Rules by the TEL's Board of Directors.

2. **Term.** The term of this Retailer Contract shall begin as of the date it is executed by Retailer, as shown below, and shall remain in effect until terminated by either party as provided for herein, in the Retailer Rules or in the Act. In the event that the TEL and Retailer have entered into any Retailer Contract(s) dated prior to the date of this Retailer Contract, the TEL and Retailer agree that from the beginning of the term hereof, this Retailer Contract shall supersede and replace any prior contract between Retailer and the TEL in its entirety for each Retailer Business Location listed below or in Schedule I attached hereto and incorporated herein by reference.

3. **Contract Termination.** This Retailer Contract may be canceled by Retailer upon twenty (20) calendar day's prior written notice to TEL. The TEL may cancel, deny, revoke, or terminate this Retailer Contract for any of the reasons set forth in Exhibit A attached hereto and incorporated herein by reference. In addition, if the chief executive officer of the TEL (the "CEO") determines, in such officer's sole discretion, that cancellation, denial, revocation, suspension or termination of this Retailer Contract is in the best interest of the TEL, the State of Tennessee or the public welfare, the CEO may cancel, deny, revoke, suspend or terminate this Retailer Contract upon written notice to Retailer; provided, however, Retailer shall be entitled to a hearing on such cancellation, denial, revocation, suspension or termination in accordance with the Act and the TEL Rules and Regulations; provided, further, that the CEO may temporarily suspend Retailer's rights under this Retailer Contract without prior notice (written or otherwise), pending any prosecution, hearing or investigation, in accordance with the Act.

4. **Ticket Sales.** Retailer agrees to sell lottery Tickets for all the games it is authorized by the TEL to sell, and only at the Retailer Business Locations listed below for which the TEL has issued a Certificate of Authority or such temporary locations as authorized by the TEL. Retailer agrees that it shall sell no other lottery Tickets in the State of Tennessee, except those provided to it for sale by the TEL. Retailer agrees that it shall adopt safeguards to assure that it will not sell lottery Tickets or pay prizes to persons under the age of 18 years. Retailer agrees that it shall sell lottery Tickets only at the prices, and only subject to the terms and conditions, as determined by the TEL unless prior written authorization is received from the CEO in each instance. In accordance with the amounts specified in the Act and the TEL Rules and Regulations, as full and complete compensation under this Retailer Contract, the TEL will pay Retailer Commissions and other compensation for lottery Tickets sold and for winning lottery Tickets paid by Retailer.

5. **Electronic Funds Transfer.** Retailer shall have a fiduciary duty to preserve and to account to the TEL for all proceeds from the sale of lottery Tickets collected by it and shall be responsible for and liable to the TEL for all such proceeds. All proceeds from the sale of lottery Tickets and all other funds due the TEL shall constitute a trust fund in favor of the TEL until paid to the TEL. Subject to the Act and the TEL Rules and Regulations, Retailer agrees: (i) to maintain for the purpose of this Retailer Contract a separate bank demand account in the name of the Retailer as "Trustee for the Tennessee Education Lottery Corporation", with a bank acceptable to TEL, which is a member of an automated clearing house association (ACH); (ii) to deposit daily into that bank account all proceeds from the sale of lottery Tickets and other funds due the TEL; (iii) to authorize the TEL to initiate Electronic Funds Transfer ("EFT") to and from that account for the net settlement amount due to the TEL from the sales of TEL lottery Tickets; and (iv) that sufficient funds shall be available in the designated account on the dates specified by the TEL to cover the amounts due the TEL, as determined by TEL. Retailer shall be liable for the cost of the TEL's legal fees, including but not limited to court costs, filing fees and lawyer's fees, in connection with any legal action brought by the TEL to recover past due amounts from Retailer.

6. **Prize Payments.** During its normal business hours, Retailer agrees to immediately validate all lottery Tickets, to pay cash prizes up to and including \$599, and to sell all lottery games that it is authorized by the TEL to sell. Such payment for winning Tickets shall not be in amounts greater or less than the amounts authorized by TEL, and shall never be subject to restrictions or conditions other than those imposed by TEL. If it becomes permissible under the Act to compensate retailers for paying cash lottery prizes, the TEL may, but is not obligated to, pay to Retailer a cash bonus (or other remuneration as permitted by law) for cashing lottery prizes.

7. **Promoting Sales.** Retailer agrees to prominently display, in locations accessible to the public, point-of-sale advertising and other public information material and supplies provided from time to time by the TEL and its Vendors and suppliers. Retailer agrees that one or more of its employees shall attend all training sessions, as requested from time to time by the TEL. In order to assist Retailer with sales of lottery Tickets, the TEL and its Vendors and suppliers may provide certain equipment (such as Lottery Terminals, Ticket dispensers, satellite dishes, play stations, etc.) to be held in the custody and control of Retailer without any transfer of ownership of such equipment to Retailer. Retailer agrees to return any such equipment and supplies upon request of the owner or upon termination or suspension of this Retailer Contract and agrees to be financially liable and responsible for the use, preservation and protection of such equipment and supplies, normal wear and tear excepted.

8. **Acceptance and Return of Instant Tickets.** Subject to the conditions and reporting requirements more fully set forth in the TEL Rules and Regulations: (i) Retailer shall have a fiduciary duty and responsibility to preserve and to account for all Instant Tickets accepted from the TEL or its distributor, as well as cash proceeds from the sale of any lottery products; (ii) any Instant Tickets not properly accounted for by the Retailer upon termination of the Retailer Contract, upon demand by the TEL, or at the End of Game date for the corresponding Instant Game, regardless of the





Revised 7/13/06

reason, shall be deemed to have been purchased by the Retailer; (iii) Retailer shall be responsible for the full price of Instant Tickets, less any applicable Commissions, for all Instant Tickets which may be lost, stolen, or damaged after delivery to Retailer; and (iv) the TEL will accept full and partial Instant Ticket Pack returns within (3) weeks of the termination, cancellation, suspension, revocation or non-renewal of this Retailer Contract. Retailer shall be financially responsible for any Instant Ticket Packs it is unable to locate or account. The TEL may reduce Retailer's cost for non-activated Instant Ticket Packs, provided that Retailer complies with the reporting requirements in accordance with the Retailer Rules, and provided, further, that no Instant Tickets in the Instant Ticket Pack have been presented for validation or otherwise activated.

9. Service Fee. Retailer agrees that it is responsible for a \$15 per week service fee, as more completely described in the Retailer Rules.

10. Assignment/Transfer of Ownership. Neither this Retailer Contract nor any of Retailer's Certificate(s) of Authority may be assigned or otherwise transferred by Retailer. For purposes of this Retailer Contract, the change in control (whether by sale, transfer or otherwise) of a controlling interest in Retailer or the addition or deletion of any owners of Retailer holding more than ten percent (10%) of the Retailer or the Retail Business Location shall be deemed to be an assignment requiring the TEL's prior approval. Retailer may transfer ownership of any Retail Business Locations for which a Certificate of Authority has been issued by the TEL only upon compliance with the requirements set forth in the Retailer Rules.

11. Approval of Retailer's Application. The obligations of the TEL under this Retailer Contract are expressly conditioned on the approval by the TEL of Retailer's application, including the criteria established in the Act and in the TEL's Rules and Regulations, to sell lottery Tickets. Upon execution of this Retailer Contract, Retailer agrees to be bound by the Governing Law and the terms of this Retailer Contract prior to and subsequent to the approval of Retailer's application.

12. Contract Changes. This Retailer Contract, including the Act and the TEL Rules and Regulations, is the entire contract between the TEL and Retailer. This Retailer Contract may not be modified or amended except by a writing signed by both parties hereto or by amendment to the Act or the TEL's Rules and Regulations. Any changes, revisions, or amendments to this Retailer Contract made by Retailer prior to its submission to the TEL shall cause this Retailer Contract to become null and void. To the extent of any conflict, the provisions of the Act shall govern the TEL's Rules and Regulations, and the TEL's Rules and Regulations shall govern the Retailer Contract.

IN WITNESS WHEREOF, the TEL and the undersigned Retailer have executed, or caused their respective duly authorized representatives to execute, this Retailer Contract as of the date noted below.

Corporate or legal name (list the name of the legal entity which owns the business and files income tax returns):

ELRAFET MED MART INC

Retailer Type of Ownership (Check One):

☐ Sole Proprietor  
☐ LLC  
☐ Other (specify):

☐ Non-Profit  
☐ LP (Partnership)

☒ Partnership  
☒ Corporation

ADEL ELRAFET  
(Official Name of Business Owner)

By: Adel Elrafet

ADEL ELRAFET  
Printed Name and Title

Date: 2-6-07

TENNESSEE EDUCATION LOTTERY CORPORATION

By: Rebecca G. Paul  
Rebecca G. Paul, President & CEO

Date: \_\_\_\_\_

Information on Business Location where Tickets are to be sold.  
(See Schedule I for multiple locations)

CITGO Bull Market #9  
(Store Name or d/b/a)

510 Hwy 51 South  
(Street Address)

COVINGTON, TN 38019  
(City, State, ZIP Code)

**Citgo Bull Market**  
**106826**

Invoice Date	Invoice Amount
1/18/20	\$22,077.41
1/25/2020	\$82,421.27
2/1/2020	\$25.00
N/A	\$0.00
N/A	\$0.00
<b>Billed to Date:</b>	<b>\$104,523.68</b>
NSF Fee	\$0.00
Service Fee	\$0.00
Activated Inventory (Less Commission)	\$0.00
Confirmed Inventory (Less Commission)	\$0.00
<b>Not billed to date</b>	<b>\$104,523.68</b>

Payment Date	Balance	Payment	Balance Due	Notes
	\$104,523.68		\$104,523.68	
	\$104,523.68		\$104,523.68	
	\$104,523.68		\$104,523.68	
	\$104,523.68		\$104,523.68	
	\$104,523.68		\$104,523.68	
	\$104,523.68		\$104,523.68	




Report Details

Page 1 of 1

INVOICE  
WEEK ENDING SAT JAN18 20  
FRI JAN24 20 08:15:50  
RETAILER 106826

DRAW-STYLE SUMMARY

102 SALES	100.00
1 CANCELS	1.00-
1 FREE TICKETS	1.00-
0 FREE PROMO	0.00
0 DISCOUNTS	0.00
NET SALES	178.00+
4 CASHES	10.00-
SALES COMMISSION	11.59-
CASH COMMISSION	0.00
NET DRAW-STYLE	156.41+

INSTANT SUMMARY

45 SETTLEMENTS	24,000.00
95 CASHES	519.00-
0 INSTANT TICKET PROM	0.00
RETURNS	0.00
SALES COMMISSION	1,560.00-
NET INSTANT	21,921.00+

ADJUSTMENTS	0.00
SERVICE FEE	0.00
TOTAL NET DUE	22,077.41+
TOTAL EFT AMOUNT	22,077.41+
SHEEP DATE	WED JAN22 20

END OF REPORT



Report Details

Page 1 of 1

INVOICE  
WEEK ENDING SAT JAN25 20  
THU JAN30 20 08:15:41  
RETAILER 106826

DRAM-STYLE SUMMARY

53 SALES	60.00
0 CANCELS	0.00
0 FREE TICKETS	0.00
0 FREE PROMO	0.00
0 DISCOUNTS	0.00
NET SALES	60.00+
0 CASHES	0.00
SALES COMMISSION	4.35-
CASH COMMISSION	0.00
NET DRAM-STYLE	63.65+

INSTANT SUMMARY

166 SETTLEMENTS	89,400.00
83 CASHES	773.00-
0 INSTANT TICKET FROM	0.00
RETURNS	517.00-
SALES COMMISSION	5,777.38-
NET INSTANT	82,332.62+
ADJUSTMENTS	25.00+
SERVICE FEE	0.00
TOTAL NET DUE	82,421.27+
TOTAL EFT AMOUNT	82,421.27+
SKEEP DATE	TUE JAN26 20

END OF REPORT



Report Details

Page 1 of 1

INVOICE  
WEEK ENDING SAT FEB01 20  
THU FEB06 20 09:33:08  
RETAILER 106026

DRAN-STYLE SUMMARY

0 SALES	0.00
0 CANCELS	0.00
0 FREE TICKETS	0.00
0 FREE PROMO	0.00
0 DISCOUNTS	0.00
NET SALES	0.00
0 CASHES	0.00
SALES COMMISSION	0.00
CASH COMMISSION	0.00
NET DRAN-STYLE	0.00

INSTANT SUMMARY

0 SETTLEMENTS	0.00
0 CASHES	0.00
0 INSTANT TICKET FROM	0.00
RETURNS	0.00
SALES COMMISSION	0.00
NET INSTANT	0.00

ADJUSTMENTS	25.00+
SERVICE FEE	0.00
TOTAL NET DUE	25.00+

TOTAL EFF AMOUNT 25.00+  
SWEET DATE TUE FEB04 20

END OF REPORT

R3562-3 SUNTRUST BANK  
ATL600 MAIL CODE O-7150  
P.O. BOX 620009  
ORLANDO, FL 32862-0009

ACCOUNT NUMBER: [REDACTED]  
SETTLEMENT DATE: 01/23/2020  
PAGE 2

III. ITEMS RETURNED -

THIS REPORT LISTS THE RETURN ITEMS PROCESSED TODAY. THEY WILL  
BE REFLECTED ON TODAYS SETTLEMENT.

FILE REFERENCE	EFF DATE	COMPANY NAME	COMPANY ID	ENTRY DESCRIPTION
[REDACTED]	20-01-21	TN ED LOTTERY	[REDACTED]	RTL R SWEEP

RETURN REASON TC	TRANSIT- ROUTING	AMOUNT	INDIVIDUAL NAME/ID OR IAT ACCOUNT NUMBER	ACCOUNT NUMBER/ ORIGINAL TRACE
---------------------	---------------------	--------	---	-----------------------------------

R01	27	\$22,077.41	CITGO BULL MARKET #9 0106826	[REDACTED]
			R01 -INSUFFICIENT FUNDS	-
R01	27	\$2,796.23	SMOKERS CHOICE 0121004	[REDACTED]
			R01 -INSUFFICIENT FUNDS	-

\$38,271.09	DEBITS	NUMBER OF DEBITS:	7
		NUMBER OF DEBIT PRENOTES:	0

THE RETURNS LISTED ABOVE WERE DEBITED/CREDITED TO YOUR ACCOUNT:

TOTAL CREDIT AMOUNT: \$ .00

TOTAL DEBIT AMOUNT: \$38,271.09

SECTION(S) III HAVE ACTIVITY.

E N D O F S T A T E M E

R3562-3 SUNTRUST BANK  
 ATL600 MAIL CODE 0-7150  
 P.O. BOX 620009  
 ORLANDO, FL 32862-0009  
 TENNESSEE EDUCATION LOTTERY CORP  
 ATTN: VONNIE MOORE  
 26 CENTURY BLVD STE 200  
 NASHVILLE TN 37228-1344

ACCOUNT NUMBER: [REDACTED]  
 SETTLEMENT DATE: 01/29/2020  
 PAGE 1

\*\*\*\*\*  
 \* A SUNTRUST BANK \*  
 \* MEMBER FDIC \*  
 \*\*\*\*\*

ACH ACTIVITY SUMMARY

THIS REPORT DETAILS ALL ACTIVITY THAT RELATES TO ACH  
 TRANSACTIONS THAT WERE ORIGINATED ON YOUR BEHALF.

III. ITEMS RETURNED -

THIS REPORT LISTS THE RETURN ITEMS PROCESSED TODAY. THEY WILL  
 BE REFLECTED ON TODAYS SETTLEMENT.

FILE REFERENCE	EFF DATE	COMPANY NAME	COMPANY ID	ENTRY DESCRIPTION
[REDACTED]	20-01-28	TN ED LOTTERY	[REDACTED]	RTLW SWEEP

RETURN REASON	TC	TRANSIT-ROUTING	AMOUNT	INDIVIDUAL NAME/ID OR IAT ACCOUNT NUMBER	ACCOUNT NUMBER/ORIGINAL TRACE
R01	27	[REDACTED]	\$654.80	D AND V COMMUNITY STOR 0121387	[REDACTED]
R01	27	[REDACTED]	\$17,734.34	R01 -INSUFFICIENT FUNDS LAVERTE'S MARKET 0108678	[REDACTED]
R01	27	[REDACTED]	\$82,421.27	R01 -INSUFFICIENT FUNDS CITGO BULL MARKET #9 0106826	[REDACTED]
R01	27	[REDACTED]	\$5,659.90	R01 -INSUFFICIENT FUNDS SHREEJI PETROLUM LLC 0122330	[REDACTED]
R01	27	[REDACTED]	\$2,831.05	R01 -INSUFFICIENT FUNDS LOTTERY FOOD MART 0122269	[REDACTED]
				R01 -INSUFFICIENT FUNDS	-

R3562-3 SUNTRUST BANK  
 ATL600 MAIL CODE 0-7150  
 P.O. BOX 620009  
 ORLANDO, FL 32862-0009

ACCOUNT NUMBER: [REDACTED]  
 SETTLEMENT DATE: 02/05/2020  
 PAGE 2

III. ITEMS RETURNED -

THIS REPORT LISTS THE RETURN ITEMS PROCESSED TODAY. THEY WILL  
 BE REFLECTED ON TODAY'S SETTLEMENT.

FILE REFERENCE	EFF DATE	COMPANY NAME	COMPANY ID	ENTRY DESCRIPTION
[REDACTED]	20-02-04	TN ED LOTTERY	[REDACTED]	RTLW SWEEP

RETURN REASON TC	TRANSIT- ROUTING	AMOUNT	INDIVIDUAL NAME/ID OR IAT ACCOUNT NUMBER	ACCOUNT NUMBER/ ORIGINAL TRACE
R01	27 [REDACTED]	\$25.00	CITGO BULL MARKET #9 0106826	[REDACTED] ( [REDACTED] )
R01	27 [REDACTED]	\$1,013.59	R01 -INSUFFICIENT FUNDS SAINT CLAIR GENERAL ST 0122651	[REDACTED] ( [REDACTED] )
R01	27 [REDACTED]	\$1,198.30	R01 -INSUFFICIENT FUNDS TRUE CARE PHARMACY 0122453	[REDACTED] ( [REDACTED] )
R01	27 [REDACTED]	\$1,969.68	R01 -INSUFFICIENT FUNDS IMART GROCERY 0121149	[REDACTED] ( [REDACTED] )
R02	27 [REDACTED]	\$25.00	R01 -INSUFFICIENT FUNDS QUICK MART 0109580	[REDACTED] ( [REDACTED] )
			R02 -ACCOUNT CLOSED	

\$966.18	CREDITS	NUMBER OF CREDITS:	1
		NUMBER OF CREDIT PRENOTES:	0
\$9,240.30	DEBITS	NUMBER OF DEBITS:	9
		NUMBER OF DEBIT PRENOTES:	0